

3/8/78

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Notes	Meeting notes by Pres. Carter, 1 pg.	3/8/78	A
Memo	Brzezinski to Pres. Carter, 3 pp. re: Call to Schmidt <i>opened per RAC NLC-126-11-32-1-3, 4/5/13</i>	3/8/78	A
Memo	From DCM-Mr. Sherman, 8 pp. re: Japanese Imperial visit <i>opened per RAC NLC-126-11-32-2-2, 4/5/13</i>	3/8/78	A
Memo	Hamilton Jordan to Pres. Carter, 6 pp., re: Appointment	3/8/78	C
Memo	Nominations for Commission on World Hunger, 20 pp.	3/8/78	C
Booklet w/addendum	Charles A. Lindbergh Fund, 17 pp. re: Choices for award by priority	3/8/78	C
Letter	Dot Padgett to Pres. Carter, 5 pp. re: Personal matter	3/8/78	C

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File 3/8/78 Box 75

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE PRESIDENT'S SCHEDULE

Wednesday - March 8, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

9:00 Congressman Glenn Anderson. (Mr. Frank
(10 min.) Moore) - The Oval Office.

9:30 Congressman John Slack. (Mr. Frank Moore).
(15 min.) The Oval Office.

10:00 Congressman Charles Rangel. (Mr. Frank Moore).
(15 min.) The Oval Office. *Never Done*

10:30 Mr. Jody Powell - The Oval Office.

11:40 Ms. Jane Yarn - The Oval Office.

11:45 Honorable Averell Harriman. (Dr. Zbigniew
(15 min.) Brzezinski) - The Oval Office.

12:30 Lunch with Mrs. Rosalynn Carter - Oval Office.

1:45 Congressman Neal Smith. (Mr. Frank Moore) *done*
(15 min.) The Oval Office.

2:30 Swearing In of Mr. G. William Miller as a Member
(15 min.) of the Federal Reserve Board. (Mr. Jack
Watson) - The East Room.

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Stu Eizenstat
Frank Moore
Secretary Schlesinger

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Jody Powell

PROPOSED STATEMENT ON NUCLEAR
POLICY

ADMINISTRATIVELY CONFIDENTIAL

*Admin
conf. Q*

THE WHITE HOUSE
WASHINGTON

*Judy
Kitch
off*

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input checked="" type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input checked="" type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	GAMMILL

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input checked="" type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

3/8/78

Mr. President:

Jody had no comment.

Rick

ADMINISTRATIVELY CONFIDENTIAL

IMMEDIATE ACTION
REQUESTEDTHE WHITE HOUSE
WASHINGTON

March 8, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM SCHLESINGER
STU EIZENSTAT
FRANK MOORE

SUBJECT:

PROPOSED STATEMENT ON NUCLEAR POLICY

Jim, Stu, Frank
c) ok as edited, but
needs abbreviation
b) prefer to make
statement at signing
ceremony. not press
conference
c) get commitments
from Teague & Flowers

JC

This Thursday, the House Committee on Science and Technology is scheduled to mark up legislation authorizing the Department of Energy's research and development program for FY 1979.

The Clinch River Breeder Reactor (CRBR) will be a major issue in this mark-up. In Subcommittee, Marilyn Lloyd (D-Tenn.) successfully added \$159.1 million for the CRBR. The Administration had requested \$13 million for termination of the project. Unless we can resolve this issue quickly, this larger amount is likely to be approved by the full Committee and the House itself.

It is unlikely that the Administration can obtain support for our CRBR position in the Senate with the impetus of adverse House action behind it. Failure to reach a compromise now may result in the need for a veto of the Department of Energy Authorization Bill for the second year in a row. This would also provide another confrontation with the Congress on the CRBR issue.

The House Committee, however, may be willing to compromise. Both Chairman Teague and Representative Flowers want to reestablish the Committee's role vis-a-vis the appropriations process. Last year, appropriations were made for energy research and development without accompanying authorization legislation. Your veto of the 1978 Authorization Bill, and the possibility of another in 1978, are of substantial concern. Both Teague and Flowers have an interest in avoiding controversial provisions which might delay passage of the Authorization Bill.

As Representative Flowers mentioned to you last week, however, the CRBR has become a highly visible symbol of support for the nuclear industry. A substitute symbol, or a clear sign of support for nuclear power, is needed if the CRBR is to be terminated. Both Teague and Flowers need a compromise which provides them with a "principled"

ADMINISTRATIVELY CONFIDENTIAL

page two

reason for opposing further funding for the CRBR, but which also preserves their credibility and position on nuclear issues generally.

We believe that the coal strike and your positive statements to the Governors last week on light water reactors provide a context in which a compromise could be structured. We have a good chance of gaining a majority on the House Committee, with Flowers and Teague, -- and support from the nuclear industry -- if they have from you a positive, visible indication of your support for light water reactors and your intention to place them on an equal footing with coal. This would amount to a change in your earlier position on nuclear power as a "last resort," which has created uncertainty and concern.

Such a statement of support could be made in a timely way at your news conference on Thursday. The attached draft, which clarifies your position and summarizes actions which we have taken or will be taking, is designed to provide the assurance which Flowers and Teague (and other members of Congress) need to back away from the CRBR. Any statement you might make would have to be at least as strong as the attached draft in order to have the intended effect.

Such a statement, however, would clearly be controversial within the Administration and with certain groups outside. It will tend to sharpen the nuclear debate, and will be viewed by many as a reversal of a campaign commitment.

We have only recently learned that Flowers and Teague might compromise, so substantial interagency involvement is not possible. Moreover, because of the extreme sensitivity of this recommendation, we have not been able to talk with the other interested federal agencies on this statement. We believe that the Council on Environmental Quality would disagree strongly with any move away from the concept of using nuclear power as a last resort. Their position is that nuclear power should be used only when conservation and renewable resources options are not available. Interior and the Environmental Protection Agency may also share this view, although perhaps not quite as strongly.

On the other hand, however, the State Department would view this as a positive step, both from a non-proliferation and an energy supply standpoint. We would expect that Treasury would share with State the need for a statement that confirms our support for light water reactors on the grounds that this will help with our balance of payments/stability of the dollar problems. In addition, OMB (Eliot Cutler) has concurred with the concept of going ahead with a statement.

page three

We believe that this is the least costly of a variety of possible compromises which could resolve the CRBR issue. It will also help diversify our energy supply options and reinforce public perception of our seriousness in dealing with the energy supply problem.

In addition to this statement, we would propose that you authorize reprogramming of \$12 million for FY 1978 (in addition to \$15 million requested by the Administration in FY 1979) for a study of a larger 650 MWe breeder. This study would not commit the Administration to building such a plant; rather, it would evaluate economics and plant design options and improve upon some of the problems encountered with the CRBR. It would be seen as a positive commitment to a strong breeder R&D program while avoiding a premature commitment to building a commercial scale facility.

If you agree to proceed in this direction, we would recommend the following steps:

- ° You call Chairman Teague and Representative Flowers today and indicate your willingness to make this statement at your press conference. Also indicate that you are willing to authorize FY 1978 reprogramming for the conceptual 650 MWe reactor study. It should be made clear that you are offering this as an alternative to continuing the CRBR fight -- which, without an agreement, you will have to do -- and that you are anxious to secure an agreement on this issue.
- ° If these conversations are successful, you should call Senators Jackson and Church with a similar message. *(Bumpers?)*

At the same time, we will attempt to postpone the mark-up now scheduled for Thursday so that the Committee has the full force of your statement before considering the CRBR. We will also make contacts with the nuclear industry and other possible supporters such as the Business Roundtable to try to secure their neutrality, if not their full support. The environmental community should be contacted shortly before the statement is made.

Attachment

ADMINISTRATIVELY CONFIDENTIAL

DRAFT STATEMENT FOR NEWS CONFERENCE

The coal strike, now in its fourteenth week, has focused our attention on our country's need for diversity in our energy supplies. The strike has clearly demonstrated that we must avoid excessive reliance on any single source of energy if we are to prevent serious disruptions of our economy, and our basic public health and safety.

During the coal strike, as in the oil embargo of 1973 and the natural gas shortage of last winter, nuclear power plants have provided us with an efficient and safe source of electric power. In recent weeks, the nuclear power plants which we have had in operation have prevented more severe curtailments of electricity than we would otherwise have experienced.

Nuclear light water reactors are now an important source of reliable, domestically-based energy. They should ^{and will} become a more important source of electric power production in the coming years. ~~They must~~ and will provide an alternative option for generating electricity for our utilities, and ~~must be encouraged on an equal footing with other sources of power.~~

My Administration recognizes our national need to maintain a nuclear light water reactor industry which is competitive with other energy supply options. We can do this by clearing away many of the uncertainties and the red tape which have made utilities reluctant to

ADMINISTRATIVELY CONFIDENTIAL

turn to nuclear power. At the same time, I am firm in my resolve not to jump prematurely into other, new nuclear technologies which are economically unnecessary and pose major risks to the spread of nuclear weapons. I continue to believe there is no need to commercialize fast breeder reactors now, and that commercial reprocessing of spent fuel should be deferred.

Tomorrow I will sign the Nuclear Non-Proliferation Act of 1978. This bill, which received the overwhelming support of the Senate and the unanimous support of the House, provides a strong framework for our efforts to halt the spread of atomic weapons. While we can use existing nuclear power plants without jeopardizing our non-proliferation objectives, we cannot afford to undermine our own policies by taking steps ourselves which we have asked our allies not to take.

But we can and must take steps to ensure that we do not stifle an important and sound source of energy by unnecessary bureaucratic red tape and uncertainty.

Making government work and reforming the regulatory process are important goals of my Administration. I will send next week to the Congress a nuclear licensing reform bill designed to shorten the excessive length of time now required to construct and license a nuclear power plant. It now takes 10 to 12 years to put a nuclear plant in operation -- much greater than the time required in other countries. This delay, which has deterred investment in nuclear plants which we need, can

ADMINISTRATIVELY CONFIDENTIAL

be corrected without lessening our commitment to protecting human health and safety, or the environment. I intend to resolve this regulatory uncertainty and shave four to six years off of the nuclear power plant construction time.

Concurrently, we must take positive and strong steps to demonstrate that we can dispose permanently of the radioactive waste produced by light water reactors. The Department of Energy will shortly put out a draft report on nuclear waste management. Through a process of federal, state, and public participation, I am committed to developing programs and policies which will permit us to demonstrate disposal technology at the earliest possible date. To support this effort, I have recommended an increase of 30 percent over this year in my 1979 budget.

Utilities also have a shorter term, interim problem in managing the spent nuclear fuel now coming out of reactors. Last October, we announced a new spent fuels policy which will give utilities an option of having the federal government arrange for spent fuel storage until a permanent disposal system is put in place. As this policy is implemented over the coming months, utilities will be able, upon payment of a fixed, one-time charge, to have the assurance that fuel rods discharged from reactors will not keep them from continued operation of their plants.

Finally, we are committed to guaranteeing the availability of adequate supplies of enriched uranium fuel for light water reactors, both at home and in those countries abroad where we have made commitments to sell nuclear reactors. We are moving ahead with plans to construct a new enrichment centrifuge facility at Portsmouth, Ohio, to provide that new supply capacity as it is needed.

The actions we are taking in no way lessen our commitment to using energy more efficiently or to the development of renewable energy resources. We must also redouble our efforts to make increased use of coal. The steps I have proposed will, however, ensure that we can look to light water reactor technology *a key factor* as ~~an equal competitor~~ in the critical task of providing energy supplies for the years ahead.

Electrostatic Copy Made
for Preservation Purposes



**RIVER HEIGHTS BAPTIST
SBC**

MORNING
SUNDAY SCHOOL-9:45
WORSHIP-10:50
PH-235-0838

EVENING
BIBLE STUDY-6:00
WORSHIP-7:00
WEDNESDAY-7:00

PASTOR MILESE LEE

MENOMONIE, Wis.--River Heights Baptist Church would have ceased operations by Christmas but the first Mission Service Corps couple arrived and Miles and Jean Lee say prospects are now bright for a prosperous church.

(BP) photo by Norman Jameson.

To run with (BP) special feature story titled "MSC Volunteers Excited About Northern Wisconsin Challenge." Mailed Feb. 1, 1978

TRANSFER SHEET

Jimmy Carter Library

COLLECTION: Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Pres. Handwriting File

Acc. No.: 80-1

The following material was withdrawn from this segment of the collection and transferred to the xx Audiovisual Collection Museum Collection Book Collection
Other (Specify: _____)

DESCRIPTION:

5" X 7" B&W photo of River Heights Baptist Church, Menomonie Wisc. Miles and Jean Lee
also in photo,
reverse has description of photo

Series: Office of Staff Sec.-Pres. Handwriting File

Box No.: Box 75

File Folder Title: 3/8/78

Transferred by: KJS

Date of Transfer: 5/10/90

SPECIAL FEATURE

480 James Robertson Parkway
Nashville, Tennessee 37219
(615) 244-2355
W. C. Fields, Director
Robert J. O'Brien, News Editor
Norman Jameson, Feature Editor

SERVICE OF THE EXECUTIVE COMMITTEE OF THE SOUTHERN BAPTIST CONVENTION

February 1, 1978

78-13A

MSC Volunteers Excited About Northern Wisconsin Challenge

By Norman Jameson

MENOMONIE, Wis. (BP)--Their phone rings often with requests for help from people they don't know; church members constantly stop by their apartment in the fellowship hall; their church debt totals about \$3,000 per member and a Methodist church is scheduled to build right next door.

So why are Elgin and Jean Lee so happy?

The first Southern Baptist Mission Service Corps volunteers assigned, the Lees bubble with enthusiasm in this chilly Wisconsin town. Elgin, who worked for 18 years on the Missouri Baptist Convention staff, seems continually amazed at what is going on at River Heights Baptist Church in Menomonie, the church he and his wife were sent here to save.

Alice Carter, church clerk and faculty member at Stout State University, explains that the few remaining members had about resigned themselves to closing the doors of the church by Christmas if they didn't get a pastor.

Then the wheels of Mission Service Corps, proposed only in June at the annual meeting of the Southern Baptist Convention, ground into action. The Lees volunteered for two years service, bringing the name of a donor who volunteered to support them on the field. The Southern Baptist Home Mission Board in Atlanta learned of the needs of River Heights and asked the Lees to serve there.

"How about that?" Lee says with a comical, questioning smile that reflects amazement at the circumstances. But his eyes reveal a happy man with depth and understanding.

Lee's years as student director for Missouri Baptists serve him well in Menomonie, a town with 11,500 resident population where the main influence is the 6,500-student Stout State University, named after early lumber barons. River Heights' youth and assistant youth directors and pianist are Stout students and many other members are connected with the university.

River Heights began in 1969 when Menomonie native Walter Stewart returned from retirement in Texas and found no Southern Baptist church in his home town. That condition lasted all of a week before he started services in his home. The church eventually called pastor Marvin Kemp, a Texan teaching at Stout, and moved to the current building located on five acres on the southern edge of the city. Stewart, 75, directed the church construction, done primarily by members.

A building loan was granted only because River Heights had a bi-vocational pastor and wasn't committed to a sizeable salary payment. But Kemp had to return to Texas about a year ago because of his wife's health. River Heights called a seminary student as pastor, but they couldn't afford a liveable salary on top of building payments. The student returned to school in July.

From July until October, the church was pastorless and the members began to despair. Carter tells Lee that the congregation, which had dwindled to about a dozen, was praying for a miracle and says unabashedly, "You are the miracle."

"What would they have done without the Mission Service Corps?" Lee asks. "This is the tremendous thing about Mission Service Corps. How would we have ever gotten up here? MSC takes the donor and finances, locates the need and the missionary, and unites them."

-more-

Lee says if you're not Catholic or Lutheran, which two-thirds of the people are in the area, "you're not on the map." The community and even some discouraged church members questioned the need of a Southern Baptist church in Menomonie, the only Southern Baptist witness in a 120 mile area.

Associates in the ministerial alliance told Lee, "You mean you consider us a mission field?" But Lee says the telephone calls every week attest to the need of River Heights' witness in "Wild Rice," the Ojibwa Indian meaning of Menomonie.

"The challenge is just overwhelming," Lee says. "Of course the response has been overwhelming in every way. People are joining, attending, going. The response has been overwhelming and the potential is even greater than that. Weekly, we get calls for help."

Although only on the field a short time, the word is already out that Elgin Lee is a pastor who will help, even if you're not a member of his church. "We don't proselyte, but we go to meet needs," he says. As a result, River Heights has visitors in nearly every service.

Lee is endowed with a self-deprecating humor and free flowing speech that puts a visitor immediately at ease. The former pastor of First Baptist Church, Doniphan, Mo., laughs when he tries to convince someone he became a preacher because he wasn't talented enough to do anything else as a teen witnessing in unchurched areas. His congregation says he is a strong preacher who never uses a note.

Many beautiful antiques grace the Lees apartment, mostly family heirlooms. Lee, 57, says his wife Jean was never interested in antiques, "until she met me." In the same breath he points to an ancient rocker and says that because his wife was rocked in it as a child it has to be at least 100 years old. "How about that?"

Jean, Lee's tall, eloquent wife of 11 years, is in charge of the church's music and gives piano lessons. She says at River Heights, where attendance has reached 60 in the few short weeks after their arrival, "anyone who thinks they can sing, gets to."

As the homemaker, Jean has overcome numerous problems that living in a church's fellowship hall can cause. Their apartment is basically one big room, partitioned by the strategic placement of furniture. Visitors ring the doorbell outside the church and one of the Lees must go down the hallway to let them in. They make the same trip to use the restroom.

Lee plans to see River Heights through until it is self-supporting. "Then we might consider becoming pastor here or taking another Mission Service Corps assignment, perhaps overseas this time," he says.

Words of the future are heady talk for a man who leads a church that only weeks ago was planning its final service. But the Lees have the tools and enthusiasm to make it work.

How about that?

1270

THE WHITE HOUSE
WASHINGTON
March 8, 1978

Bill Milliken

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

cc: Chip Carter
Frank Moore
Jack Watson

RE: CHARLES RANGELL AND VISIT
TO HARLEM

THE WHITE HOUSE
WASHINGTON

3-8-78

To Bill Milliken

I would like for
you (& Chip) to talk
to Charles Langell - &
then maybe arrange
a visit with him
to Harlem. He's a
good man -

Jimmy

1250
THE WHITE HOUSE
WASHINGTON

March 8, 1978

Zbig Brzezinski

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

cc: Rick Hutcheson
Tim Kraft

RE: CALL TO SCHMIDT

~~CONFIDENTIAL ATTACHMENT~~

EXCLASSIFIED

Per: Rac Project

ESDN: NLG-126-11-32-1-3

IN 1-5 DATE 4/3/83

DECLASSIFIED

THE WHITE HOUSE Per; Rac Project

WASHINGTON ESDN; NLC-12C-11-32-1-3

BY 155 NARA, DATE 4/3/13

FOR STAFFING

FOR INFORMATION

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

ENROLLED BILL

AGENCY REPORT

CAB DECISION

EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

ARAGON

BOURNE

BRZEZINSKI

BUTLER

CARP

H. CARTER

CLOUGH

FALLOWS

FIRST LADY

HARDEN

HUTCHESON

JAGODA

GAMMILL

KRAFT

LINDER

MITCHELL

MOE

PETERSON

PETTIGREW

POSTON

PRESS

SCHLESINGER

SCHNEIDERS

STRAUSS

VOORDE

WARREN

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

March 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZS.*
SUBJECT: Phone Call to Schmidt

Schmidt has delivered a rather good speech, stressing the importance of a positive US-FRG relationship. In view of this, it might be timely and useful for you to give him a telephone call, to congratulate him on the speech and to tell him that we share these sentiments as well.

If you approve, I will proceed to set up such a call for you.

APPROVE ✓

DISAPPROVE _____

J

DECLASSIFIED

Per, Rac Project

ESDN: NLC-126-11-32-1-3

BY *KS* NARA DATE *4/3/13*

~~CONFIDENTIAL~~

1294

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Zbig Brzezinski

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: MATERIAL FROM MIKE MANSFIELD
WASHINGTON VISIT OF PRINCE AND
PRINCESS HITACHI
GOJ PLANNING FOR FUKUDA VISIT

~~CONFIDENTIAL ATTACHMENT~~

DECLASSIFIED
Per: Rac Project
ESDN: NLC-126-11-32-2-2
BY JCS NARA DATE 7/3/13

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
/	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

UNITED STATES GOVERNMENT

Memorandum

TO : The Ambassador

DATE: March 6, 1978

FROM : DCM - William C. Sherman *Wf*

SUBJECT: ① Washington Visit of Prince and Princess Hitachi

You will recall that when we saw Chief of Protocol Nakashima on March 3 he raised the question of the possibility of a call at the White House by Prince and Princess Hitachi, the younger brother of the Crown Prince, who will be in Washington from April 3 to April 7 in his capacity as the Honorary Japanese President of the Cancer Society.

I have already asked Nick Platt to look into this question and he is checking out whether the President and/or Mrs. Carter might be willing to invite Their Highnesses to tea at some point during their visit. Even if Mrs. Carter were to do this alone I think the requirements of protocol might well be taken care of.

Because of the sensitivity of this question here in Japan we have not reported any of this through official channels. You may wish to check on progress while you are in Washington.

② Mr. Ikeda, head of the Japanese Inland Mission - very prestigious - would like to see the President with a small group while here on March 13-14. If the President could see him it would be very worthwhile & extremely beneficial to both countries. *Probably no*

President from Mike Mansfield

Try to work out

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DCM:WCSherman:hn:3/6/78

UNITED STATES GOVERNMENT

Memorandum

President + Vance
CONFIDENTIAL

3/19- C
Holmes
DATE: March 7, 1978

TO : The Ambassador

THRU: DCM - Mr. Sherman *W*

FROM : POL/C - A. L. Seligmann *ALS (R)*

SUBJECT: GOJ Planning for the Fukuda Visit

At our request the Foreign Office (^{Watanabe}1st North American Division) has drawn together the following information concerning Japanese plans for the Fukuda visit. While still tentative, it represents the latest GOJ thinking and should be of use in your Washington discussions.

A. ITINERARY: The Prime Minister -- accompanied by Foreign Minister Sonoda, Minister Ushiba, and Deputy Chief Cabinet Secretary Mori -- is scheduled to leave on Sunday, April 30 and to return to Tokyo on Sunday, May 7. Watanabe thought these dates were rather firm, although a return May 6 was still a possibility.

- Point of entry is likely to be Los Angeles, where the Prime Minister and his party would spend the night of April 30. An alternate possibility is Chicago.
- The Prime Minister would arrive in Washington on the evening of May 1, and would depart for New York on the morning of May 4.
- He would spend the night of May 4 in New York and perhaps the night of the 5th as well.
- If he stayed the night of the 5th in New York, he would return directly to Tokyo on the 6th, without a stopover, arriving in Tokyo on the 7th.
- If there is only one night in New York, the Prime Minister would stop in Chicago on the way home (or in Los Angeles if Chicago were chosen as the port of entry). The homeward leg of the journey remains highly tentative.

B. WASHINGTON AGENDA

- The Prime Minister looks forward to his meeting with the President on May 3rd, followed by a working lunch.

CONFIDENTIAL

... 2/
DECLASSIFIED

Per, Rac Project

ESDN: NLC-126-11-32-2-2

BY *KS* NARA DATE *4/3/13*

Electrostatic Copy Made
for Preservation Purposes

~~CONFIDENTIAL~~

- The Japanese side understands there is a possibility of a lunch hosted by Secretary Vance on the 2nd, which the Prime Minister would be glad to accept.
- Foreign Minister Sonoda would like to meet separately with the Secretary prior to that lunch.
- As presently planned, the Prime Minister would not meet individually with Cabinet members on the 2nd. There could possibly be a working breakfast for selected members of the Cabinet hosted by the Prime Minister at Blair House. (We made the point with Watanabe, as we have with Arita and others, that the Prime Minister would be missing an important opportunity if he were to forego separate meetings with individual Cabinet members. We suggested that at least Blumenthal and Strauss, in addition to Secretary Vance, should see the Prime Minister. These could be informal meetings at Blair House, and could be relatively brief. Watanabe promised that the possibility of such meetings would remain under consideration, but indicated that GOJ views on this point were fairly firm. We will keep working on this one.)
- The GOJ was still studying the "modalities" of a possible meeting between the Prime Minister and members of Congress.
- The Japanese side had taken note of the views you expressed to Arita in last week's lunch concerning a possible speech to a Joint Session of Congress. There was still a "lingering desire" in some quarters to try this, however. Speaking off the record, Watanabe thought it possible that the Prime Minister would ask your advice again on this subject following your trip to Washington, and felt your views would be decisive. no
- C. THEME: The Prime Minister looks forward to "frank and full exchanges" on the world economy, the Asian situation, the Middle East situation and other issues of common concern.

Watanabe said the Middle East item was the Prime Minister's personal suggestion. Fukuda had been interested in developments in the Middle East, and recently asked the Foreign Office Middle East Bureau to develop a paper more clearly defining Japanese policy in the area and prospects for a future Japanese role. The Prime Minister sees his visit as an opportunity for

...3/

~~CONFIDENTIAL~~

~~- 3 -~~
~~CONFIDENTIAL~~

a wide-ranging discussion of important political as well as economic issues. Watanabe expects Fukuda will wish to avoid, to the extent possible, an excessive emphasis on economic issues at the expense of other questions he considers equally important.

The Japanese side has not yet decided whether a formal joint communique would be in order.

POL:DFLambertson:mj

~~CONFIDENTIAL~~

*Pres. & Strauss
from the President*

C

It is important that we not treat the visit of Prime Minister Fukuda as an occasion for "turning up the heat" on the Japanese with respect to economic and trade issues.

To begin with, with Ushiba-Strauss meetings in April in Geneva as well as the many regular forums in which we are exchanging figures and information, we have enough monitoring going on. It does not serve U.S. interests to have the Prime Minister appear to arrive in Washington to have his report card graded. To deal with the trip in this way would be a serious misinterpretation of the Prime Minister's role. He is not and cannot be a decision maker in the American sense. He cannot overrule his subordinates or turn decisions around. If we are not getting the results we want, he is not the one to go to.

Secondly, the Japanese public will be following every move the Prime Minister makes. His aim is to demonstrate the closeness of the U.S.-Japanese alliance and the common concern with which two great-power statesmen view the world. That should be our aim too, because from that common outlook cooperation will grow and proliferate. If it appears that the meetings have been contentious, Fukuda will lose stature at home where his enemies will seek to demonstrate that he is not capable of managing the U.S. connection. His ability (and that of his chief economic lieutenants Ushiba and Miyazawa) to coordinate Japanese policies with ours would be severely circumscribed.

In Japan, appearance is everything. If Fukuda's meeting with the President looks like confrontation or even lack of agreement, we will inexorably move into that mode and the progress we both desire will not take place.

3/7/78

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UNITED STATES GOVERNMENT

Memorandum

TO : The Ambassador ✓
THRU: The DCM - Mr. Sherman
FROM : LABOR - Robert M. Immerman

DATE: March 6, 1978

SUBJECT: American Labor Leader's Suggestion for a Reconstruction Finance Corporation for Enterprises Adversely Affected by Foreign Competition

At your meeting with the AFL-CIO delegation this morning, Mr. J. C. Turner, President of the Operating Engineers, asked your help in obtaining Carter Administration understanding of his proposal to rescue American firms in severe financial difficulties because of foreign competition.

Turner said that U.S. firms that need to modernize in order to meet foreign competition are handicapped because they cannot obtain loans at reasonable interest rates from commercial banks for this purpose. As an example, he noted that unlike Western Europe and Japan, where governments either directly subsidize the steel industry or exert administrative guidance so that city banks will make necessary loans to steel companies, U.S. steel firms during the past few years have been unable to obtain adequate private financial backing for necessary modernization programs.

Turner proposed the establishment of a USG agency modeled after the Reconstruction Finance Corporation of New Deal days which would provide low interest loans to firms in industries designated as adversely affected by foreign competition and needing restructuring. Turner hoped that you could mention this idea to President Carter when you meet with him later this week.

Clearance:

POL - Mr. Seligmann

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for Preservation Purposes

10:00 AM

THE WHITE HOUSE

WASHINGTON

March 7, 1978

MEETING WITH REP. CHARLES B. RANGEL (D-N.Y. 19)

Wednesday, March 8, 1978

10:00 a.m. (15 minutes)

The Oval Office

From: Frank Moore

FM/27

I. PURPOSE

To discuss urban policy, in general, and to ask for Rep. Rangel's advice and assistance on issues relating to the Black Caucus and the black community.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: Rep. Rangel is one of the best-liked Members of Congress. He is a member of the Ways and Means Committee (11), is in line to be chairman of the Subcommittee on Public Assistance and Unemployment Compensation (Ways and Means), and is a member of the Special Welfare Reform Subcommittee (2).

He is most concerned with our urban policy and has communicated with Jack Watson and his staff regarding the development of the Harlem Urban Development Corporation. His district has one of the highest unemployment and welfare recipient percentages in the Congress.

Rep. Rangel has an Administration-support rating of 70%, and he genuinely wants to work with the Administration. He would be an excellent friend to have both in the Black Caucus and with urban congresspersons.

Rep. Rangel would also like to change our tax proposals regarding tax credits from new constructions to rehabilitation because there is little hope of new construction in his district.

Rep. Rangel has had a great deal of trouble with federal grants being announced by others than himself concerning his district. He will undoubtedly raise this problem with you.

Rep. Rangel is concerned about your popularity in the black community. He feels that emotionally blacks are still supportive but they are worried that the commitment to issues affecting them by this Administration is not as strong as they believed during the campaign.

Mrs. Rangel's first name is Alma.

- B. Participants: The President, Rep. Charlie Rangel, Frank Moore, and Jim Free.
- C. Press Plan: White House photographer.

III. TALKING POINTS

1. Stress your commitment to New York City financially. Ask for Rep. Rangel's assistance and advice on New York City matters.
2. Ask for Rep. Rangel's assistance as a member of the Special Welfare Reform Subcommittee.
3. Ask for him to serve as your "eyes and ears" in the Black Caucus, as you asked Rep. Udall to be with western Members.

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Hamilton Jordan
Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: ED SANDERS OF LA

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
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	LOG IN/TO PRESIDENT TODAY
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		SCHULTZE

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	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

ok
J

March 8, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Hamilton Jordan *HJ*
Bob Lipshutz *BL*

SUBJECT: Ed Sanders of Los Angeles

Pursuant to your memorandum to us and in reference to Ed's February 14 letter to you, we have discussed this matter ourselves at great length. Also, we have talked with Ed, both on the telephone and in person.

He is a very valuable resource for us in handling our relationship with the American Jewish community and he continues to be most willing and responsive. However, at the present time, and at least until after the coming visit of Israeli Prime Minister Begin, all three of us agree that we should defer any judgement on changing the present informal method of our working with Ed.

We will keep you advised.

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

WEEKLY STATUS REPORT

THE WHITE HOUSE
WASHINGTON

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THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

March 6, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Domestic Policy Staff Weekly Status
Report

HUMAN RESOURCES

Social Security: We are closely following the growing Congressional pressure to eliminate some of the higher social security taxes, together with HEW and Treasury. Indications are that the House may well take some action in this area this session.

Vietnam Veteran PRM: The first meeting of the coordinating committee was held this week. The agencies are enthusiastic and agree that the study should focus on better use of existing resources. Several Vietnam veteran spokesmen have indicated that they see the PRM study as an excellent redemption of the campaign promise made on Veterans Day in 1976. *Good*

Atomic Tests: The controversy surrounding the issue of combat troops as part of atomic test explosions has escalated considerably. DOD has already received thousands of calls from veterans who may have been involved. Also, evidence of increased cancer risks is being found at nuclear energy facilities and nuclear shipyards. We are developing a plan of action to improve the response by the agencies to this situation that deals forthrightly and humanely with those involved.

POSTAL REFORM

Upon receipt of your decisions on our memo on postal reform, we met with Hanley, Wilson and Irv Sprague of the Speaker's office. Progress was made.

ENERGY

National Energy Act (NEA): Natural Gas Conference discussions have resumed. DPS, OMB, Frank Moore, CEA and Schlesinger's staff continue to monitor closely and will make reports and/or recommendations to you as necessary. Analytic work continues on tax-related portions of the bill, along with assessments of Congressional mood on COET.

Nuclear Licensing Reform: Decision memo is being revised at request of DOE. New date for submission is March 7.

Energy Impact Assistance: Preparation of options for decision as well as revision of the steering group report continuing. Final decision memorandum due to you early this month.

CRBR and Supplemental Legislation: Working with DOE on preparation of enrolled bill memo, and proposed signing statement. Last day for action is March 7. ?

NATURAL RESOURCES

Water Policy Study: Study is now undergoing White House staff review. Final paper to you March 15.

OCS: Working with OMB, Interior, and other interested agencies to prepare for conference.

200-Mile Ocean Pollution Zone: EPA Hazardous Substances Regulations issued this week. State Department will continue to work with Congressional committees to work out remaining concerns of State, Defense, and DOT with extended jurisdiction.

Deep Sea Mining: Bill expected on House floor within the next couple of weeks.

Alaskan D-2 Lands: House Interior Committee is marking up legislation.

INDIAN AFFAIRS

Indian Policy: Working with Interior and OMB to refine objectives and analyze implications of Interior's proposed Indian policy review. If the review proceeds, this may raise additional concerns in the West.

CIVIL SERVICE MATTERS

Civil Service Reform Initiative: The Civil Service reform legislation was sent to Congress on March 2. The reorganization plan will be formally submitted later. The White House Task Force continues to work on overall legislative and public relations strategy. The AFL-CIO publicly endorsed the reform effort after we proposed the labor relations section, and labor discussions are continuing. Common Cause, CED, and other groups have endorsed it as well.

HATCH ACT REFORM

Hatch Act Reform: The Interagency Task Force has completed its policy work and discussions with Senate staff. Senate hearings are complete.

INTEGRITY AND OPENNESS IN GOVERNMENT

Lobby Law Reform: On February 22 the House Judiciary Committee voted to report a somewhat weakened lobby reform bill. Senate hearings are complete. We are working with Frank's staff to move the Senate Governmental Affairs Committee to mark up a stronger bill.

ECONOMICS AND BUSINESS

Economic Program: We will be working with Treasury, CEA, OMB, Labor, and Frank Moore's shop to expedite. Ham will coordinate.

HEALTH

Hospital Cost Containment: Rostenkowski's Hospital Cost Containment bill was reported out of subcommittee by a vote of only 7-6. CL did an excellent job rounding up the seventh vote. Rostenkowski believes the closeness of the vote vindicates his decision to offer a weakened bill.

HMOs: HEW will shortly submit our legislation to strengthen HMOs. The most important provision would enable HMOs to enroll Medicare/ Medicaid beneficiaries on a prepaid capitation basis. Traditionally this approach has been resisted by the Senate Finance Committee.

NHI: Joe Califano and I met with Senator Kennedy, AFL-CIO and UAW officials to discuss the new Kennedy/labor NHI proposal which they described as a "no compromise bottom line." Their proposal is extremely expensive and almost certainly not acceptable. We will prepare an analysis for you. Senator Kennedy would like to talk to you about it the week of March 20.

HOUSING AND URBAN DEVELOPMENT

Urban Policy: DPS has been meeting almost around the clock with agencies to finalize their proposals for new initiatives and improvements in existing programs. You will have an options memo within ten days.

AGRICULTURE AND RURAL DEVELOPMENT

Farm Policy Options: We are working with Secretary Bergland, Charlie Schultze, Jim McIntyre and others to develop a set of farm policy options for your consideration. As you know, pressure is developing on the Hill for additional legislation, some of which could be very expensive. Our options will be designed to head-off such legislation. *good*

122

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hatcheson

RE: LETTER FROM G. INGRAM RE
KIRBO

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
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	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

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		EIZENSTAT
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		MOORE
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		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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	STRAUSS
	VOORDE
	WARREN

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THE PRESIDENT HAS SEEN.

G. CONLEY INGRAM

1200 CITIZENS & SOUTHERN NATIONAL BANK BUILDING

ATLANTA, GEORGIA 30303

*Ham
J*

March 6, 1978

My dear Mr. President:

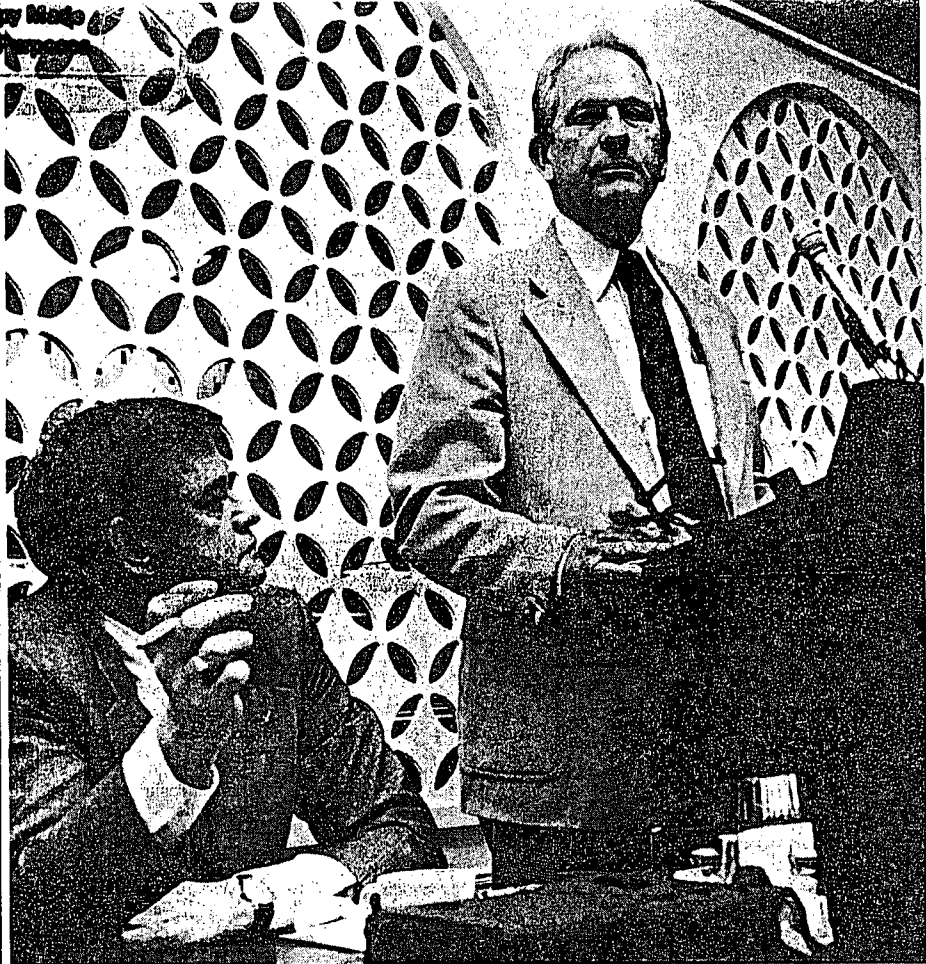
I prevailed on the ole' country squire to give a little public relations talk at a recent Chamber of Commerce businessmen's breakfast meeting attended by approximately 250 businessmen in the area. He did a fine job and I thought you might be interested in seeing the newspaper account of the meeting.

With kindest personal regards, I am

Sincerely,

G. Conley

The President
The White House
Washington, D. C.



Staff Photo by Hank Wilson

CHARLES KIRBO, PRESIDENT CARTER'S SENIOR ADVISOR, ADDRESSES CROWD AT COBB CHAMBER
Cobb Chamber President Bill Bullard (L) Listens As Kirbo Discusses His Relationship With President Carter

Kirbo Packs In Chamber Crowd But Has 'No Secret Information'

By FRED DELVES
Business Editor

Charles Kirbo, one of President Carter's closest advisors, drew an overflow crowd of Cobb County Chamber of Commerce members to the group's Early Bird Breakfast meeting today, but those who expected to hear him reveal some hitherto unpublished secrets about affairs in Washington probably left disappointed.

Kirbo's talk appeared to be more like the fireside chat which the President has used on several occasions since he took office.

"I have no secret information and I don't really know anything you don't already know," Kirbo said.

He did, however, disclose that he and Carter had discussed the President's decline in public opinion polls and said Carter had admitted he was worried about it.

He said Carter had told him he had made up his mind to do what he thought he had to do as President

and "take whatever comes about it."

"He felt over a period of time, the people would understand. I am reassured and my confidence in him is absolute and while you may disagree with him on a lot of different issues, I want you to know you ought to have confidence in him

'I am reassured and my confidence in him (Carter) is absolute and while you may disagree with him on a lot of different issues, I want you to know you ought to have confidence in him and know that he's working hard'

Charles Kirbo

and know that he's working hard," said Kirbo.

Kirbo said that at a leadership

conference he had heard the late Sen. Humphrey tell Carter he was a president serving in a very difficult time because "we've got a lot of problems that we've been sweeping under the rug ever since I've been up here (in Washington) and the time has come when somebody has to put them on the table."

Kirbo said there are about 10 or 12 issues that have come to the point where something has to be done about them and cited Social Security and the energy crisis as two of them.

"The energy problem is a big one — much more serious than you may realize. It's more serious now than it was 12 months ago and one of the reasons is that oil-producing countries are thinking about cutting down on what they send us," said Kirbo.

He said President Carter is not foolishly compromising and "he could have had the energy bill

See KIRBO Page 2A

Kirbo At Breakfast

Continued From Page 1A

Congress to that which we had 15 or 20 years ago," added the Carter confidante.

"He (Carter) has to campaign not only with the leaders but he also has to campaign with the black caucus, with labor groups and with activist people," said Kirbo.

He added that President Carter "may slow down some" but he saw no reason why everything that's a problem should not be brought up "and do the best you can."

Saying that "people have personal trust" in Carter, Kirbo said: "You're going to hear a lot of

criticism until these issues are met and faced but I can tell you I have absolute confidence he (President Carter) is going to end up successful."

Kirbo, an Atlanta lawyer and former chairman of the Georgia Democratic Party, was introduced by Conley Ingram.

The meeting was held at the Farmers Market Smorgasbord, Marietta, where the staff had to bring in extra supplies for the meal and members were asked to vacate their tables after eating so that the overflow crowd could be fed. The meeting was sponsored by Georgia State Bank, Mableton.

1281
THE WHITE HOUSE
WASHINGTON

March 8, 1978

Zbig Brzezinski

The attached was returned in the President's outbox today and is forwarded to you for forwarding to Secretary Vance.

Rick Hutcheson

RE: LETTER FROM SYMINGTON ON
SOVIET UNION, - CUBA - AND HORN
OF AFRICA

THE WHITE HOUSE
WASHINGTON

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40 VANCE
VIA 2B

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Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	WARREN

To Cy Vance
J.C.

JAMES W. SYMINGTON
SUITE 400
1700 K STREET, N. W.
WASHINGTON, D. C. 20006

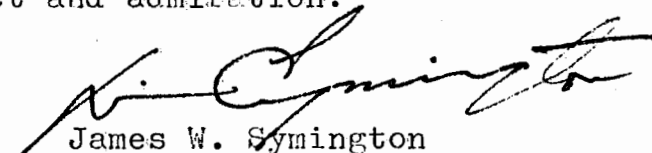
Mar. 3, 1978

Dear Mrs. Carter,

I have an idea which, if you saw any value in it, you might care to mention to the President. It is an initiative we might take in the Horn of Africa. The Soviet Union and Cuba are helping to kill Africans. Our policy is to prevent loss of life and reduce suffering. We, therefore, decline to enter the struggle in a military way. But our obligation does not end there. Unilaterally, or multilaterally, we could offer to send a hospital ship, vessels to give temporary shelter and sustenance to the homeless, or move them to safe areas, and other vessels of a peaceful character. They might well be escorted, at least to the territorial waters, by Navy ships with unquestioned capacity to conduct defensive operations.

This mission of rescue and succor to the wounded and refugees of the war - on both sides - would, of course, only proceed if permitted by forces controlling the areas involved. It could be rejected by one or both sides. But it would remain in effect during our diplomatic efforts to restrain the combatants, and could be implemented upon cessation of hostilities.

I hope you will not greatly mind this note which comes with respect and admiration.


James W. Symington

15th Friday night, and my
Pecuniary has gone home
as you might have guessed.

THE WHITE HOUSE
WASHINGTON

Mrs. Carter:

Jim Symington is the son of former Senator Stuart Symington and an attorney now in Washington.

He was also a Congressman from Missouri and a former Chief of Protocol.

Gretchen

March 8, 1978

THE WHITE HOUSE
WASHINGTON

3-8-78

To Jane Yarn

I won't be able to
come to New York for
the banquet in May.
I'm sorry.

Frank Borman, if
willing, would be an
excellent chairman -

Jimmy Carter

sent via stripping
bcc: Fran Voordt

THE PRESIDENT HAS SWEET

Good
J

THE WHITE HOUSE
WASHINGTON

March 8, 1978
Wednesday - 12:10 p.m.

MR. PRESIDENT

JOE CALIFANO CALLED TO REPORT THAT
THE GEORGIA BOARD OF REGENTS
UNANIMOUSLY APPROVED THE AGREEMENT
WITH H.E.W. ON HIGHER EDUCATION
DESEGREGATION THIS MORNING.

CALIFANO IS HAVING A BRIEF PRESS
CONFERENCE AT 1:00 P.M. TO PRAISE
THEIR ACTION.

TIM KRAFT

THE WHITE HOUSE
WASHINGTON

3/8/78

rick--

this must have been
a result of her meeting
today with the president...

-- susan

(please send cc to
fran)

1:45 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 7, 1978

MEETING WITH CHAIRMAN NEAL SMITH (D-IOWA-4)

Wednesday, March 8, 1978

1:45 p.m. (15 minutes)

The Oval Office

I. PURPOSE

From: Frank Moore *F.M./BR*

To discuss small business matters and Rep. Smith's recent visit to Russia and Morocco.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Rep. Neal Smith is Chairman of the Small Business Committee and a ranking member of the Appropriations' Subcommittee on State, Justice, Commerce and the Judiciary. Before being elected to Congress, he was a farmer. Therefore his greatest concerns are those of small business and agriculture, as it relates to the United States and abroad. Smith has recently returned from a subcommittee trip to Morocco and Russia. While in Moscow, he met with the Ministry of Trade, the Ministry of Agriculture and the Supreme Soviet. Both in these meetings and elsewhere, Smith advocates more trade with foreign countries, feeling that the more we sell abroad, the better our economic situation. In Morocco, the congressional delegation accompanying Smith met with the Prime Minister, the President of the Parliament and the members of the Parliament. The Moroccans expressed a real fear of the Soviet-Cuban problems, as well as their turbulent relations with Algeria. Smith is opposing the Administration's proposed legislation to give sole responsibility for granting loans to farmers to the Farmers' Home Administration. Smith was primarily responsible for granting SBA the authority to make farm loans in June of 1976. SBA has been lending money at a lower rate (3%) and a no credit elsewhere test as did FmHA. In other words, SBA could offer a borrower a better deal; consequently SBA was literally swamped with applications. Agriculture states that they had to loan SBA personnel, resources, etc. to assist in processing these loans. Agriculture feels that it would be a relatively simple matter just to defeat a Smith amendment on the floor. However, the Senate SBA Committee is weary of dealing with Smith and has advised Agriculture that they will not proceed with their legislation until they can get a clear signal of cooperation from the House Committee.

Smith has introduced alternative legislation to the Administration tax package. Rates under his bill would not differ from the Administration proposal below the \$25,000 level but would be one percentage point above the proposed surtax rate above \$50,000. The Smith-Conte bill (Conte is ranking minority on the Committee) would establish a graduated corporate rate of 18% below \$25,000, a 20% rate from \$25,000 to \$50,000 and a 5 percentage point graduation every \$25,000 thereafter, up to a maximum of 45% over \$150,000.

Smith has been critical of the Administration concerning his perception of the SBA position on a White House Conference on Small Business. Smith feels that SBA last year opposed a House Resolution requesting a White House Conference on Small Business, when actually SBA testified that the Agency did not oppose the Conference but believed it would be more appropriate following the White House Conference on Balanced National Growth and Economic Development, and after SBA has begun preparation of an economic data base to develop more information on small businesses. Smith feels that he was misled because the White House intends to have the Small Business Conference even though it will be as the result of a Senate Joint Resolution. He feels that this was a change in Administration position -- after he had supported what he considered to be our original position.

Smith has a 71.4% rating for support of White House sponsored legislation. His wife's name is Beatrix.

Participants: The President, Rep. Smith, Frank Moore, Valerie Pinson

Press Plan:

White House photographer only.

TALKING POINTS

1. Reassure Smith that we have been in close and continuing contact with Morocco about the developments with Algeria. This weekend the Moroccan Foreign Minister will be in Washington for talks on all the outstanding issues. We are also concerned about the Moroccan-Algerian situation and although we do not see an eminent likelihood of overt conflict, we recognize the probable continuation of low level hostilities. We will continue to supply Morocco with military equipment consistent with our long standing policies. We will also continue to urge the Algerians to use moderation and restraint in their dealings with Morocco.
2. The State Department reports that they have had comments from the ambassadors of the countries Smith's delegation visited in January that his codel was the best to have visited their countries. You might want to mention this to him, but not at the risk of offending other congressmen who have chaired delegations traveling abroad.

3. Smith has had a perfect voting record in the last year on eight key foreign aid issues. You might want to express your appreciation for his support and seek his advice on how to deal this year with the issues that are certain to cloud consideration of the foreign aid legislation -- the tendency to single out commodities and countries for unwelcome restrictions.

2:30 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
CYNTHIA WILKES SMITH

SUBJECT: Swearing In Ceremony for G. William Miller
Chairman, Federal Reserve Board
East Room, 2:30 p.m., Wednesday, March 8, 1978

2:25 p.m. Depart West Wing for East Room; go to microphone on stage. These people will be on the stage:

Chief Justice Warren Burger
The Vice President
G. William Miller
Ariadna Miller, holding the family Bible

Approximately 150 family members, friends, Senators and Congressmen will be present; a guest list is attached.

2:30 p.m. You make brief remarks; talking points from Jim Fallows are attached.

2:35 p.m. You invite Chief Justice Burger to administer the oath.

2:40 p.m. Mr. Miller is prepared to make a brief statement if called upon to do so.

2:45 p.m. You depart East Room; Gretchen has arranged to have coffee for the guests after the ceremony.

Attachments

GUEST LIST

Associates

Senior Staff Officers

Mr. Theodore E. Allison
Mr. Stephen H. Axilrod
Mr. Normand Bernard
Mr. Arthur L. Broida
Mr. Joseph R. Coyne
Mr. John M. Denkler
Mr. Kenneth A. Guenther
Mr. Albert R. Hamilton
Mr. Charles L. Hampton
Ms. Janet O. Hart
Ms. Joan Hobbs
Mr. Sidney Jones
Mr. John Kakalec
Mr. James L. Kichline
Mr. Walter W. Kreimann
Mr. James R. Kudlinski
Mr. Robert J. Lawrence
Ms. Catherine C. Mallardi
Mr. Robert E. Mannion
Ms. Mary Ann Mekosh
Mr. Allen L. Raiken
Mr. Edwin M. Truman
Mr. Thomas J. O'Connell
Mr. David L. Shannon
Mr. William H. Wallace
Mr. Donald J. Winn

Federal Reserve Bank Presidents

Mr. Robert P. Black
Mr. David P. Eastburn
Mr. James R. Guffey
Mr. Robert P. Mayor
Mr. Frank E. Morris
Mr. Mark H. Willes

Board Members

Mr. Arthur F. Burns (and Mrs.)
Mr. Philip E. Coldwell (and Mrs.)
Mr. Stephen S. Gardner (and Mrs.)
Mr. Philip C. Jackson, Jr. (and Mrs.)

Board of Directors, Federal Reserve Bank of Boston

Mr. James A. McIntosh
Mr. Kenneth I. Guscott

Former Board Members

Mr. Andrew F. Brimmer
Mr. David M. Lilly
Mr. George Mitchell
Mr. John E. Sheehan
Mr. William Martin
Mr. James L. Robertson

GUEST LIST

Family Members and Friends

Mr. and Mrs. Robert S. Ames
Mr. and Mrs. James S. Atkins
Mr. Andrew J. Bell, Jr.
Mr. and Mrs. John W. Burke, Jr.
Mr. and Mrs. Charles F. Chapin
Mr. and Mrs. Robert H. Charles
Ms. Ann Audrey Clanton
Mr. Matthew B. Coffey
Mr. Lewis F. Cole
Mr. Charles P. Collins, III
Mr. and Mrs. Joseph B. Collinson
Mr. and Mrs. Benjamin F. Crane
Mr. and Mrs. Jack C. Crim
Mr. and Mrs. George G. Daniels
Mr. and Mrs. Rudolph DuBois
Mr. Edwin J. Ducayet
Mr. Robert S. Eisenhower
Mr. John R. Fitzpatrick
Ms. Myra M. Fowler (sister)
Mr. and Mrs. Paul M. Fye
Mr. and Mrs. Willard R. Gallagher
Mr. and Mrs. E. Clayton Gengres
Mr. and Mrs. Raymond E. Gibson
Mr. and Mrs. Clarence H. Gifford, Jr.
Mr. and Mrs. William G. Gisell
Mr. and Mrs. Robert E. Grant
Mr. and Mrs. John B. Henderson
Mr. Erroll E. Hunt
Mr. Saul B. Klamman
Mr. and Mrs. J. Joseph Kruse
Rear Admiral and Mrs. Charles E. Larkin
Mr. R. Heath Larry
Mr. and Mrs. William J. Ledbetter
Ms. Constance E. Lemoi
Mr. Richard Leshner
Mr. Royal Little
Mr. and Mrs. Roger H. Matthews, Jr.
Mr. and Mrs. Carlyle E. Maw
Mr. Robert Mayer
Mr. and Mrs. Josiah A. McClure
Ms. Mary Ann Mekosh
Mr. and Mrs. Dee D. Miller (brother)
Mr. and Mrs. James D. Miller (brother)
Mr. and Mrs. Oth O. Miller (brother)
Mrs. Ariadna Miller (wife)
Mr. and Mrs. Frederick P. Mooney

Family Members and Friends (Continued)

Mr. Clifford R. Montiero
Judge Florence Murray
Ms. Rita Y. Nadeau
Mr. and Mrs. Robert Preiskel
Ms. V. Jessie Principale
Mr. and Mrs. Francis F. Randolph, Jr.
Mr. and Mrs. Charles T. Roelke
Mrs. Tatiana Rogojarsky (mother-in-law)
Mr. Felix Rohatyn
Mr. and Mrs. Arthur T. Roth
Mr. and Mrs. Egil G. Ruud
Mr. Joseph Schafer
Mr. Merritt Sherman
Mr. and Mrs. George Silva
Mr. and Mrs. Thomas D. Soutter
Mr. and Mrs. Joseph Sisco
Mr. and Mrs. H. B. Spiller (sister)
Mr. and Mrs. Elmer B. Staats
Mr. and Mrs. Robert P. Straetz
Mr. and Mrs. Bruce G. Sundlun
Mr. John H. Sweet
Mr. Don M. Thomas
Mrs. Rupert C. Thompson
Ms. Jan E. Tomczycki
Mr. and Mrs. Robinson C. Trowbridge
Mr. and Mrs. Ralph Turney, Jr.
Mr. and Mrs. Ronald A. Van Brocklyn
Mr. Michael S. Van Leesten
Ms. Mabel M. Wade (sister)
Mr. and Mrs. Reuben Wade (nephew)
Ms. Eileen L. White
Mr. Erskin N. White, Jr.
Mr. Alton W. Wiley
Mr. and Mrs. Maurice G. Wilkins, Jr.
Mr. Alfred Wong (Marshall of the Court)

MEMBERS OF CONGRESS

THE WHITE HOUSE

WASHINGTON

March 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*

Below are the Senators and Representatives who will be attending the Swearing-In of G. William Miller as Chairman of the Federal Reserve Board:

Senators

Dewey F. Bartlett
Henry Bellmon
Lloyd Bentsen
Robert Byrd
John H. Chaffee
Alan Cranston
Carl Curtis
James A. Eastland
Jake Garn
John H. Heinz III
Jacob Javits
Robert Morgan
Claiborne Pell
Donald Riegle Jr.
Paul Sarbanes
Ted Stevens

Representatives

Clifford Allen
Frank Annunzio
Thomas Ashley
Doug Barnard
Edward Beard
Richard Bolling
John Brademas
Jack Brooks
Clarence Brown
Garry Brown
John Cavanaugh
Elford Cederberg
Barber Conable
Norman D'Amours
Butler Derrick
David Evans
Walter Fauntroy
Thomas Foley
Robert Giaimo
Henry Gonzalez
Charles Grassley
James Hanley
Mark Hannaford
Gorege Hansen
Harold Hollenbeck
Frank Horton
Richard Kelly
John LaFalce
Jim Leach
Stanley Lundine
Jim Mattox
Stewart McKinney
Steve Neal
Mary Rose Oakar
Jerry Patterson
Edward Pattison
Henry Reuss

REPRESENTATIVES (continued)

Dan Rostenkowski
John Rousselot
Fernand St Germain
Gladys Spellman
J. William Stanton
Newton Steers

TALKING POINTS

THE WHITE HOUSE

WASHINGTON

March 7, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS, ^{JL} GRIFFIN SMITH ⁶⁵
SUBJECT: Swearing-in of G. William Miller

Here are the talking points for the swearing-in ceremony tomorrow of William Miller, Chairman of the Federal Reserve Board.

1. You are pleased to have such a fine turnout today for this ceremony. Actually, it's taking place a little later than you'd planned -- about a month later, in fact -- but you feel that the distinguished group gathered here today reflects the commanding importance of the job of Federal Reserve Board Chairman, as well as the high esteem in which Bill Miller himself is held.

2. Mr. Miller's experience as a leader in the business world and as a director of the Federal Reserve Bank of Boston, together with his competence and integrity, make him superbly qualified for the post he is assuming. He is a person of exceptional breadth of experience and interests who has always found time for public service. When you nominated him you were aware of his expertise in such fields as international trade, equal employment opportunity, veterans' employment, and the humanities. Now you see that he also has a degree of expertise in Congressional Relations.

3. The Chairman of the Federal Reserve Board occupies a position of enormous importance in the economic destiny of our nation. Other than the Office of the President, there is no other role that has more influence on the formulation and implementation of economic policy. The law that established the Federal Reserve System recognized the vital role that monetary policies play in the performance of our economy by providing for a high degree of independence of

the Federal Reserve within the Government. That independence has served our nation well. Dr. Burns has staunchly defended the independence of the Federal Reserve and you fully expect Bill Miller to continue that tradition.

4. You want to say a word of thanks to Dr. Burns. Our nation has been fortunate to have had him at the Fed during the past 8 years. He has symbolized the integrity of our monetary system. He has defended and supported the strength of the dollar. He has secured an international reputation for his judgment, his wisdom, and for the courageous way in which he has set forth his views on public policy. He has earned the profound respect and the gratitude of every American for his long period of public service.

5. Bill Miller has a challenging and unenviable task ahead of him. In the two months since you announced his nomination the economy has become even more a focus of attention. It is approaching its fourth year of recovery, and the prospects for continued expansion in 1978 look good. Last year unemployment declined by almost 1-1/2 percentage points, real after-tax incomes of our citizens rose 5 percent per capita, and business profits also increased substantially. During the past three years, we have been more successful than any other country in the world in recovering from the recession of 1974-75. But there remains much unfinished business to create a lasting prosperity that is widely shared by all Americans:

- Inflation is still a major national problem. For many of our citizens, it is the most important economic problem.

- Unemployment is still much too high.
- We have yet to adopt an effective national energy program.
- Partly because of our excessive dependence on foreign oil, the dollar has been declining in foreign exchange markets.
- Business investment is not increasing in our country as strongly as it should be to ensure a substantial improvement in productivity and in living standards for our people.

You have set forth an economic program that you believe is responsive to the needs of our country. It includes measures to maintain steady growth of output and employment, to achieve a steady reduction in unemployment, and to deal with the difficult problem of inflation.

6. Strong and independent leadership at the Federal Reserve is essential if we are to achieve the economic recovery we need. You look forward to working with Chairman Miller on these difficult problems, because you know he will bring vigorous leadership to the Federal Reserve that will benefit the nation as a whole.

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

CALL TO SEN. RANDOLPH

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
✓		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

done
J

CONGRESSIONAL TELEPHONE CALL

TO: Senator Jennings Randolph (D-W.Va.)

DATE: Wednesday, March 8

RECOMMENDED BY: Frank Moore *f.m./p*

PURPOSE: To wish Senator Randolph a happy birthday.
He is 76 years old today.

ADDITIONAL
Information: Frank Moore is meeting with Sen. Randolph
today at 11:00 a.m.

Date of Submission: March 8, 1978

10:30 AM

THE WHITE HOUSE

WASHINGTON

March 7, 1978

MEMORANDUM FOR THE PRESIDENT

From: Walt Wurfel *WW*
Re: Brief meeting with National Press Club
officers and directors (during Jody's
time with you on Wednesday, March 8)

You met most of this group of 16 in the Club Library before your speech there last Thursday. This 6- to 8-minute meeting is needed so they can give you the Club tie and certificate we asked them not to give you on live television.

You will also receive an honorary membership card, a photograph of you at the Club in 1973, and a memo on the planned development of the Press Club block by John Portman of Atlanta.

President Frank Aukofer and former president Don Larabee will make the presentations.

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: IMPACT ON NOISE ABATEMENT
EQUIPMENT PROGRAM WITHOUT TAX
DEFERRAL

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
✓		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

IMPACT ON NOISE ABATEMENT EQUIPMENT PROGRAM
WITHOUT TAX DEFERRAL

Stu
J

- Fewer Jobs
- Fewer, Quieter Airplanes
- Fewer Gallons of Fuel Saved

Airline Investment

- Airline investment needs in the period 1976-85 were estimated at \$26 billion before issuance of the FAA Noise Rule.
- The FAA Noise Rule increases those needs by \$7.5 billion for a total of \$33.5 billion through 1985.
- This additional \$7.5 billion requirement places a burden on the industry which it cannot meet; the Department of Transportation, in commenting on the problem, said: "An incremental capital requirement of this magnitude would appear to be beyond the industry's ability to finance, given the other financing burdens it will face in the early 1980's."

Effect of Non-Deferral

- At the Ways and Means Committee mark-up on March 6, 1978, it was tentatively decided that the noise abatement entitlement credits would be considered taxable as income when received. This would reduce the effectiveness of the noise abatement program because decreased availability of front-end funds would significantly lessen the industry's ability to acquire new, quieter, more fuel-efficient aircraft.
- Funds received by the airlines would be reduced by an estimated 25 percent.⁽¹⁾ Thus, only \$1.6 billion would be available in entitlement credits instead of the \$2.1 billion if payment of tax is deferred.
- Less funds will mean more retrofit -- an in-efficient way to reduce noise which also involves a waste of fuel. One carrier has indicated that the reduced availability of funds would most likely result in retrofitting or perhaps re-engining rather than replacing approximately one-third of its four-engine fleet. A similar effect can be anticipated by many other carriers, since the industry-wide reduction of \$500 million will force retrofit rather than replacement to varying degrees depending on the particular circumstances of the individual carriers.

(1) This is a conservative estimate. In all probability the figure will range as high as 40%.

- Overall, ATA estimates that 90 of the noisiest four-engine aircraft originally targetted for replacement would be retrofitted or reengined rather than replaced. Manufacture of replacements for these 90 airplanes would involve sales of almost \$2 billion. Based upon Department of Transportation estimates, each billion dollars of aircraft sales generates 60,000 job years; thus, 120,000 job years would be sacrificed unless the tax deferral proposal is restored by the Ways and Means Committee. Finally, retrofit rather than replacement of these 90 aircraft would decrease fuel savings by several hundred million gallons a year.

ATA 3/7/78

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THE WHITE HOUSE
WASHINGTON

March 8, 1978

Bob Lipshutz

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President
Stu Eizenstat
Hamilton Jordan
Jody Powell

RE: SHOE IMPORT CASE - CLAIM OF
EXECUTIVE PRIVILEGE

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
	/	EIZENSTAT
	/	JORDAN
/		LIPSHUTZ
		MOORE
	/	POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

	ARAGON
	BOURNE
	BRZEZINSKI
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	CARP
	H. CARTER
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	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 7, 1978

Bob
J

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT LIPSHUTZ *RL*
MARGARET MCKENNA *mark*

SUBJECT:

Claim of Executive Privilege
in Shoe Import Case

The Federal judge in New York City denied our claim of Executive privilege for the White House documents concerning your decision on rubber shoe imports. The plaintiffs hope to enjoin the implementation of that decision. The judge stated that he was not satisfied with the description of the documents in the list submitted to him and felt that he needed to look at the documents himself to determine if they meet the criteria for privilege. He would look at the documents "in camera" in his chambers with only he and our lawyer present. If he then rules in our favor (DOJ believes he will), the documents would be returned to us. If he rules against us we can release the documents or refuse to. If we refuse to release them, the documents will be put "under seal" and kept in the Clerk's Office and not accessible to anyone.

We can refuse to turn over the documents to the judge for his inspection. Or, if we allow his inspection, and refuse to turn them over after he has ordered us to do so, the judge can order sanctions under the Rules of Federal Procedure. He could:

(1) Strike all of the evidence we have presented in the trial and continue to hear the case. He would then decide the merits of the injunction. If he ruled against us we could appeal the decision, including his decision on our denial of privilege.

(2) Immediately decide the case against us. This is also appealable.

(3) Hold someone (possibly Bob Lipshutz or the DOJ lawyer in the case) in contempt of court for refusing to produce the documents. A lawyer held in contempt of court is subject to jail or fine or both.

-2-

We have several options in this case.

1. Refuse to produce the documents which would result in the sanctions listed above. We do not recommend.

Approve _____ Disapprove _____

2. (a) Comply with the judge and send the documents to New York with the DOJ lawyer for the judge's "in camera" inspection. He previously reviewed an STR document in this trial and agreed it was privileged. We do not recommend.

Approve _____ Disapprove _____

- (b) Offer the documents for "in camera" inspection by the judge (same as (a)), but because of the importance of the documents, ask that he sign an order prior to seeing them, assuring in writing that the documents will not be released to anyone else. This may irritate the judge since this calls for him to put his normal procedure in writing, but would give us more assurance of protection for the documents. We do not recommend.

Approve _____ Disapprove _____

- (c) Send Margaret McKenna to the court to ask the judge to re-consider his decision. She will more thoroughly detail the nature of the documents and re-argue that they are subject to a privilege claim. If the judge still refuses to grant the privilege, she will show him part or all of the documents "in camera". (She would not ask for a formal advance order of the type set out in (b) above.) WE RECOMMEND.

Approve ✓ Disapprove _____

3. If you decide to go with Option 2, the judge may still deny our claim as to some or all of the documents. If so we could:

- A. Release the documents. We do not recommend.

Approve _____ Disapprove _____

- B. Refuse to release them and receive sanctions as listed above, but be prepared to appeal.
WE RECOMMEND.

Approve ✓ Disapprove _____

1271

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Ronna -

The attached was returned in
the President's outbox today
and is forwarded to you for
delivery. (formalities for
the record)

Patti

LETTER TO LEE ANDERSON

THE WHITE HOUSE
WASHINGTON

3-8-78

To Lee Anderson

Thanks again for your
early friendship & support
which gave me such a
good vote in the 32nd
district. I enjoyed
being with Glenn this
morning.

Best wishes,

Jimmy Carter

9:00 AM

C

THE WHITE HOUSE

WASHINGTON

March 7, 1978

MEETING WITH REP. GLENN M. ANDERSON (D-CALIF. 32)

Wednesday, March 8, 1978

9:00 a.m. (10 minutes)

The Oval Office

From: Frank Moore

zm/8.7.

I. PURPOSE

To discuss airline regulatory reform and aircraft noise legislation.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: Rep. Anderson is a member of the Committee on Public Works and Transportation (4), Chairman of the Subcommittee on Aviation (Public Works and Transportation), and a member of the Committee on Merchant Marine and Fisheries (8).

Rep. Anderson, as Chairman of the Aviation Subcommittee, is primarily interested in the aircraft noise bill and is going along with the airline regulatory reform bill only because he believes he could not get a noise bill otherwise. The noise bill was reported out of the Public Works and Transportation Committee last year and is currently before the Ways and Means Committee. Subcommittee markup of the reform bill is scheduled for later this morning. The problem is that Rep. Anderson and the industry are beginning to feel that they can get a noise bill without an airline regulation bill. We must impress upon Rep. Anderson before he goes to the markup that the Administration's number one priority is the airline regulatory reform bill. We have a consensus reform bill which is being supported by Chairman Bizz Johnson and Reps. Anderson, Levitas, and Mineta. Our strongest ally is Chairman Johnson, who very much wants a bill out of subcommittee quickly so he can fulfill his promise to you to get an airline regulatory reform bill this session.

Rep. Anderson's percentage of support -- 63%.

Mrs. Anderson's first name is Lee.

- B. Participants: The President, Rep. Glenn Anderson, Frank Moore, and Jim Free.
- C. Press Plan: White House photographer.

III. TALKING POINTS

1. Emphasize to Rep. Anderson that the airline regulatory reform bill is the centerpiece of your campaign commitment to have less government regulation in private business.
2. Encourage Rep. Anderson to mark up an airline regulatory reform bill that will not be weaker than the consensus reform bill that has been introduced.
3. Impress upon Rep. Anderson that the regulatory reform bill is of higher priority at the White House than the aircraft noise bill, and imply that the chances of an aircraft noise bill being signed into law are improved with the passage of a strong airline regulatory reform bill.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: MARY SCHUMAN AND JIM FREE

SUBJECT: Meeting with Congressman Glenn Anderson

Congressman Anderson, House Aviation Subcommittee Chairman, asked to meet with you to discuss airline regulatory reform legislation and the aircraft noise bill.

Congressman Anderson is primarily interested in the noise bill, and he is going along with a reform bill only because he believes he could not get a noise bill otherwise. He plans to put the two bills together either on the House floor or at conference.

The status of the respective bills is as follows:

The noise bill was reported by the Public Works Committee last year; it is currently before the Ways and Means Committee.

The subcommittee markup on the reform bill is scheduled to begin later this morning, after your meeting with Congressman Anderson.

The Aircraft Noise Bill

The bill has three titles:

Title I - would permit the expenditure of funds from the surplus in the Airport Trust Fund (commonly called ADAP) to be given to communities which develop noise abatement plans. Noise abatement measures could include the purchase of land around airports. We have opposed this title on the grounds that there is too much money allowed.

Title II - increases the authorizations to the Trust Fund from the existing surplus. We have opposed this title on the grounds that (1) higher authorizations are not needed, and (2) such a provision should be considered next year when the entire Trust Fund authorizations come up for review.

Title III - diverts 2% of the existing 8% tax surcharge to a special fund to enable carriers to meet new noise standards for their existing fleets. After consulting with you, Secretary Adams testified in support of this title last year.

The Public Works Committee reported the entire noise bill last year. Title III is currently before the Ways and Means Committee because it contains tax proposals. Ways and Means tentatively approved a revised form of Title III. These revisions, which we strongly supported, were designed to bring the tax treatment of the funds received by the airlines into conformity to usual tax laws. (We supported, and Ways and Means adopted, tax treatment similar to that in the coal conversion program; Anderson and the airline industry wanted more favorable tax treatment.) Congressman Anderson was very opposed to these changes in Title III because they estimate that the airlines will actually receive \$40 million less than they otherwise would. Because of our position, he threatened to stop the reform markup schedule for Wednesday. Chairman Bizz Johnson, who has been working hard in support of the reform bill ever since your meeting last month, told Anderson that the markup would not be cancelled.

Congressman Anderson's Position

1. He wants our endorsement of Titles I and II of the bill. Our position has been that some compromise will be necessary because the funding levels are too high. No agency recommends that we change this position.
2. He wants us to change our position on Title III, so that the airlines get more favorable tax treatment. OMB and the Department of Treasury feel very strongly that we have compromised as far as we can by supporting a coal conversion-type tax arrangement. They are concerned that if we give even more favorable tax treatment, a precedent will be set in tax law that will be very dangerous. We suggest that you state that we will continue to support Title III as the Ways and Means Committee has tentatively approved it. Without our support, the Ways and Means Committee would have defeated Title III altogether.

We have not committed ourselves on the issue of whether the noise and reform bills should be tied together. Secretary Adams believes that it is inevitable that they will be combined, so he has not openly opposed such a move.

Congressman Anderson will want to focus on the noise bill and avoid the reform bill. We suggest that you emphasize the importance of the reform bill, and tell him that we continue to support Title III of the noise bill. A compromise must be reached on Titles I and II.

A new, "consensus" reform bill has been introduced by Chairman Bizz Johnson, and Congressmen Anderson, Levitas and Mineta. Secretary Adams and Chairman Alfred Kahn testified in support of the bill this week. We hope this bill is not weakened as it gets marked up.

THE PRESIDENT HAS SEEN.
U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

March 8, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Current Status of Coal Strike

NEGOTIATIONS

There is still an effort under way to trigger independent negotiations by some of the members of the BCOA. The major stumbling block was UMW President Arnold Miller who is still insisting on national bargaining. Under the UMW constitution, Miller must give his permission for independent negotiations. This afternoon Miller assured me that he would not block independent negotiations if two or more coal companies went to local bargaining. I am hopeful that something may break on this front tonight.

TAFT-HARTLEY

Later this evening, you should be receiving the report of the Board of Inquiry. The Justice Department will be going into Federal District Court in Washington tomorrow afternoon to seek a temporary restraining order. We are assured that this temporary restraining order will cover the entire UMW and all members of the BCOA. However, it will not cover independent coal operators who are not members of the BCOA. This is not likely to cause any problems and, in the remote chance that it does, we can always get additional court orders. This temporary restraining order will be served on the BCOA and 1600 local UMW officials. The U.S. Marshals are standing by in Washington and assure us that they can deliver this restraining order within 24 hours.

Despite all the talk of the ineffectiveness of Taft-Hartley, this injunction will achieve several positive results:

- 1). It will give the coal operators protection to do the necessary work for getting the mines ready for operation. Since these preparations will be necessary, in any case, before we can resume coal production, it is useful to have them done as quickly as possible.

2). The Taft-Hartley injunction cannot force any UMW member to go back to work. However, it will enable us to give protection to all miners who choose to go back to work, as well as allowing us to safeguard the movement of coal.

3). Under the Taft-Hartley injunction, all national and local UMW officials who do not take positive steps to encourage the miners to go back to work will be in contempt of court. Under the law, it is not sufficient for a union leader to merely avoid advocating resistance to the Taft-Hartley injunction.

FOOD STAMPS

George Meany called today and said that he would react negatively if we denied food stamps to strikers who refused to go back to work.

1268

THE WHITE HOUSE
WASHINGTON
March 8, 1978

Jody Powell
Fran Voorde

The attached was returned in the
President's outbox today and
is forwarded to you for
appropriate handling.

Rick Hutcheson

RE: FARRELL LETTER RE CONVENTION
HALL AND MEDIA OFFICE COMPLEX

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
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Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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Corner Fourteenth and G Streets, Northwest

WASHINGTON, D. C. 20045

cc Tody
Fran
Polite, non-com
reply
J

MEtropolitan 8-0348

Memo to President Carter

The National Press Club and John Portman of Atlanta are combining their resources and talents to erect a huge and elegant 1,000 room convention hotel and media office complex covering almost the entire city block on which the Press Building now stands.

The office part of the project will be unique, the only one of its kind in the world, customized from top to bottom for the print and broadcast media of the world.

At the top, at the corner of 14th and Pennsylvania, the Club will have its new quarters.

Planning for the 21st Century, the Press Club, in association with Boston University, is deep into a mission to utilize the three-acre roof of the building -- and its facade where possible -- as a giant solar energy cell to put the sun to work energizing our building to the fullest extent possible.

The hotel and office will be built in two phases, with the first section being ready for occupation in 1981-82.

The project is being made possible by the land assembly capability and other resources of the Pennsylvania Avenue Development Corporation, a most important agency of your government.

We hope you will do us the privilege of laying our corner-stone.

Robert E. Farrell
President

March 8, 1978

BILL MILLER 3-8-78
(Slurcain in)
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— ENERGY
LEADERSHIP

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

March 8, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

RICHARD HARDEN *Richard*

SUBJECT:

Office of Administration
Status Report

We continue to make good progress in setting up the newly created Office of Administration. The only significant complaints were in the messenger area where we have moved from a highly personalized approach for a select few to a more systematic and routine approach with consistent service for everybody. The change has also permitted us to reduce the number of messengers by approximately 50%. We expect the complaints to disappear as people become accustomed to the new system.

The new Personnel Division is fully operational and handling personnel activities for all twelve agencies. Plans move forward to the conversion of the new payroll system at Treasury. Parallel runs will be conducted March 26th through May 7th. A new, automated accounting system will be handling the accounting for all agencies by the end of March.

In regard to the Operations Division I have already mentioned the changes being made in the messenger service. We have also set up a contracts unit to improve the purchasing procedures within the EOP and have significantly reduced overtime in the print shops by better scheduling of the work force.

The White House Reference Center is now operational and is receiving a considerable amount of use. Its capabilities are discussed in more detail on page 5 of the attached EOP Newsletter.

In regard to the data processing we have initiated plans to competitively rebid the equipment in the EOP and hope to have a computer network operational by this time next year. I might note that the Department of Commerce was recently able to reduce the cost of a new system from

a projected level of \$4.1 million to an actual level of \$1.1 million through the competitive process. We are also working with the Xerox people on some experimental equipment that I feel will have a significant impact on the use of data processing equipment in the executive environment. Finally, we are working closely with the House, Senate, and Library of Congress data processing centers, as well as the National Bureau of Standards and the Commerce Department so as to minimize the likelihood that we would duplicate work and so that we can take full advantage of systems they have already developed.

We have been working with NASA, the Census Bureau, and Congressman Rose's Data Processing Policy Committee to explore ways of better presenting information to decision-makers. I will likely be back to you in the next couple of months with some specific recommendations in this area. We have also been working with Bill Simon and David Rubenstein in determining how best to obtain demographic data and information on the distribution of Federal grants around the country.

We are making progress in out-placing excess employees. However, we are encountering some problems matching salary levels for former White House employees and are working with the Civil Service Commission to develop an equitable solution.

Attachment

1224

THE WHITE HOUSE
WASHINGTON

March 8, 1978

Zbig Brzezinski

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: TITO VISIT: SCIENCE AND
TECHNOLOGY COOPERATION

cc: Jim McIntyre
Frank Press

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~ - GDS

March 6, 1978

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB.*

SUBJECT: Tito Visit: Science and Technology
Cooperation

For the past five years, we have had a science and technology program with Yugoslavia, totaling \$7 million on each side. Our share is paid out of U.S. dinar holdings, which are rapidly dwindling because of regular Embassy expenses, our obligation to pay Yugoslav annuitants (Social Security recipients, etc.) out of this dinar fund, and a reduced in-flow of dinars from PL-480, etc. At current rates, the S&T program would therefore have to come to an end by 1980, even if renewed now.

The Yugoslavs very much want this program to go forward, and have pressed it in the context of the Tito visit. They have proposed that we begin paying Yugoslav annuitants in dollars, thus slowing the drain on our dinar pool.

Treasury objects to this approach, on the grounds that it would violate the intent of Congress, and could even fall outside the law governing U.S.-owned foreign currencies.

I asked State - Treasury - OMB for their positions.

There are two key options:

- Continue the program for another five years, with a lump-sum appropriation of \$7 million, to be administered by State, instead of asking the eight agencies involved to have funds for Yugoslavia compete with other programs in their budgets.
- Take no action, and leave individual agencies to seek any funding for Yugoslav S&T programs based on overall agency priorities.

~~CONFIDENTIAL~~ - GDS~~CONFIDENTIAL~~*Jay 5/1/90*

~~CONFIDENTIAL~~

OMB favors the second of these options, on the grounds that there is no need for an additional budgetary commitment; and this option would not set a precedent for dealing with S&T relations and appropriations for other countries.

Treasury has taken no position -- other than opposing the questionable annuity-funding change, and Mike Blumenthal has prepared a draft letter turning down the Yugoslavs.

State favors the first option, on the grounds that otherwise we would send an untimely political signal to Yugoslavia; the program would otherwise have to end by about 1980; that we would in fact lose the benefits of this S&T cooperation, as individual agencies failed to put political weight on the relationship with Yugoslavia; and that a lump sum approach would make for better management and continuity in research.

Frank Press concurs with this State Department view, and I also support it strongly.

RECOMMENDATION

That you approve the seeking of a \$7 million appropriation, to be managed by State, to continue the Science and Technology program with Yugoslavia (on a matching basis) for another five years.

*Regular
budget item -
no
special
budget
request -*

- ☒ \$7 million single appropriation. (State, NSC, OSTP)
- ☐ Renew the program on a "dinar basis," recognizing that the program would have to end in about two years, and leave any further budgetary action up to individual agencies. (OMB)
- ☐ Renew the program, but inform Yugoslavia that the proposed change in annuity payment policy is unacceptable.
- ☐ End the program altogether.

~~CONFIDENTIAL~~